

Division of Insurance

Ways to Save on Automobile Insurance

Massachusetts drivers can save money and minimize their risk of financial loss by evaluating their coverage needs before buying or renewing their automobile insurance policies. This guide is offered as one tool to help you decide how much insurance you need to buy, and how you can save money. It is designed to correspond to the Coverage Selections Page provided by your insurance company. Follow along to decide the amounts of compulsory coverage and which optional coverages are best for you. Your insurance company or agent can also provide assistance with further questions you may have regarding coverages. The Division of Insurance is open from 8:45 a.m. to 5:00 p.m. to provide assistance to you whenever you have consumer concerns.

CONTENTS:

COVERAGES

Compulsory Insurance

1. Bodily Injury to Others
2. Personal Injury Protection
3. Bodily Injury Caused By An Uninsured Auto
4. Damage to Someone Else's Property

Optional Insurance

1. Optional Bodily Injury to Others
2. Medical Payments
3. Collision
4. Limited Collision
5. Comprehensive
6. Substitute Transportation
7. Towing and Labor
8. Bodily Injury Caused By An Underinsured Auto

Safe Driver Insurance Plan

- Calculating Your SDIP Step
- Save With Credit Points
- Surcharge Points Costs You Money and Increase Your Premium
- More Than One Car or Driver on a Single Policy
- Application of At-Fault Accident Surcharges to Your Record
- Appealing an At-Fault Accident Surcharge

Discounts

- Age 65 or Older
- Passive Restraint
- Annual Mileage
- Anti-theft
- Multiple Cars
- Drivers Education
- Public Transit
- Rate Deviation
- Group Discounts

FACTS TO REMEMBER

Coverages

Coverages You *Must* Buy: Compulsory Insurance

1. Bodily Injury to Others

Pays for damages (e.g. medical expenses, pain and suffering) to anyone injured or killed by your car only *in an accident that occurs in Massachusetts*, up to a basic limit of \$20,000 per person and \$40,000 per accident. Injuries to the driver or passengers in your car are not covered under this Part; please refer to Personal Injury Protection (Part 2) for information about that coverage.

If you drive outside of Massachusetts or in places where the public has no right of access, or if you drive with passengers in your car, please see Optional Bodily Injury to Others (Part 5), for coverage that will protect you in such situations.

You could be sued for much more than the required (\$20,000/\$40,000) limits for Bodily Injury to Others. Buying higher limits under the Optional Bodily Injury to Others (Part 5) coverage may protect you from large losses. The limits you select will depend on your personal financial situation; limits of \$100,000 per person, \$300,000 per accident are commonly selected.

2. Personal Injury Protection (PIP)

Pays up to \$8,000 to you or anyone you let drive your car, anyone living in your household, passengers and pedestrians, no matter who causes the accident. Personal Injury Protection pays for medical expenses, replacement services, and 75% of any lost wages.

You can save on your premium by excluding yourself, or yourself and household members, from some or all of this coverage. You should consider this option if you have a medical and disability income plan. The portion of each claim you have agreed not to be covered for is called a “deductible.”

Your health insurance may not cover all of your medical expenses from an auto accident such as cosmetic and dental services, co-payments and deductibles. Also, your disability policy may have long waiting periods. The small savings from the larger deductible may not be worth it.

The driver and passengers, while riding a motorcycle, are not covered by PIP. However, the owner of the motorcycle must purchase this coverage to protect other people who may be injured by the motorcycle.

Note: PIP covers owners of cars and motorcycles, and members of their households, if they are injured while occupying or struck by a car that does not have Massachusetts Compulsory Insurance.

3. Bodily Injury Caused By An Uninsured Auto

Protects you, anyone you let drive your car, household members, and passengers (unless covered by a Massachusetts auto policy of another household member with similar coverage) against losses caused by an uninsured or unidentified (“hit and run”) driver. A minimum limit of \$20,000 per person and \$40,000 per accident is required. This coverage does not pay for property damage or damage to your car.

4. Damage to Someone Else’s Property

Pays for damage to another person’s property and costs associated with the loss of use of that property when you, a household member, or another authorized driver cause an accident. A minimum limit of \$5,000 is required.

With the rising costs of automobile and property repair, it may make sense to purchase more than the required \$5,000 minimum limit. This can be done at minimal cost. Limits of \$50,000 or \$100,000 are frequently purchased. Note that only 3% of all drivers purchase the \$5,000 minimum.

Coverages You Can Buy: Optional Insurance

1. Optional Bodily Injury to Others

Extends your liability protection (the basic \$20,000/\$40,000 limits under Bodily Injury to Others) up to the amount you purchase under this part. This option provides coverage for accidents beyond Massachusetts to anywhere in the United States, its territories or possessions, and Canada. This coverage also pays for damages suffered by guests in your auto.

Your car is only covered in the U.S. and Canada. Your car is not covered in any other country.

You could be sued and may be liable for much more than the \$20,000 per person and \$40,000 per accident limits required under Bodily Injury to Others.

Buying higher limits under the Optional Bodily Injury to Others coverage may make good sense if you have assets you wish to protect. Limits of \$100,000/\$300,000 are commonly selected.

2. Medical Payments

Covers medical expenses for you, your household members and passengers, over and above amounts covered by Personal Injury Protection no matter who caused the accident. The minimum amount you can buy is \$5,000 if insuring an automobile and \$500 if insuring a motorcycle.

3. Collision

Pays for collision damage to your car, less any applicable deductible, no matter who causes the accident. If your car is financed, your lender may require you to buy this coverage and may even require a particular deductible amount.

Your deductible will be set at \$500 unless you select a different amount. You can always save on your premium by choosing a larger deductible where one is offered. In determining the amount of deductible that is right for you, decide how much you can afford to pay out of your own pocket in the event of an accident or loss in which you are at fault, or the other driver is unidentified. The deductible you choose is the amount you should expect to pay if you use this coverage option.

Information regarding Selecting Your Deductible also applies to Limited Collision coverage (Part 8) and Comprehensive coverage (Part 9).

Waiver of Deductible: Buying Collision coverage with a “waiver of deductible” means that the collision deductible you choose will not apply when an accident *is* caused by another *identifiable* driver. This is most helpful when there is an uninsured, identifiable driver. If you are in an accident caused by another identifiable driver who is insured,